

AMENDED IN SENATE AUGUST 17, 2009

AMENDED IN SENATE JULY 14, 2009

AMENDED IN ASSEMBLY MAY 14, 2009

AMENDED IN ASSEMBLY MAY 6, 2009

AMENDED IN ASSEMBLY APRIL 27, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 7

Introduced by Assembly Member Krekorian

December 1, 2008

An act to amend Sections 84506 and 84508 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 7, as amended, Krekorian. Political Reform Act of 1974.

(1) The Political Reform Act of 1974 requires a broadcast or mass mailing advertisement supporting or opposing a candidate or ballot measure, if paid for by an independent expenditure, to include a disclosure statement that identifies the name of the committee making the independent expenditure and the names of the persons from whom the committee making the independent expenditure has received its 2 highest cumulative contributions of \$50,000 or more during the 12-month period prior to the expenditure. However, if the committee is able to show that contributions from those 2 highest cumulative contributions were spent for other purposes, then the act requires the committee to disclose the names of the contributors making the next

largest cumulative contributions of \$50,000 or more. A violation of the act is subject to criminal penalties.

The bill would require, with specified exceptions, a broadcast or mass mailing advertisement supporting or opposing a candidate or ballot measure that is paid for by an independent expenditure to include a statement or phrase that clearly identifies the economic or other special interest of the major donors of \$50,000 or more, listing the economic or other special interest in descending order based on the amount of contributions made by the respective donor to the committee, except for a general interest committee. The bill would also require a committee *that files electronically with the Secretary of State to list the Secretary of State's Internet Web site in its disclosure statement. A committee not required to file electronically would be required* to disclose the Uniform Resource Locator for its Internet Web site and ~~for the Web site~~ to list the committee's principal officer and ~~all donors~~ *specified information regarding each donor* to the committee who contributed at least \$100.

(2) Existing law makes a violation of the act subject to administrative, civil, and criminal penalties.

The bill would impose a state-mandated local program by placing these penalties on persons who violate the bill.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(4) The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 84506 of the Government Code is
- 2 amended to read:
- 3 84506. (a) A broadcast or mass mailing advertisement,
- 4 including a radio advertisement, supporting or opposing a candidate
- 5 or ballot measure, that is paid for by an independent expenditure,

1 shall include a disclosure statement that identifies all of the
2 following:

3 (1) The name of the committee making the independent
4 expenditure.

5 (2) The names of the persons from whom the committee making
6 the independent expenditure has received its two highest
7 cumulative contributions of fifty thousand dollars (\$50,000) or
8 more during the 12-month period prior to the expenditure. If the
9 committee can show, on the basis that contributions are spent in
10 the order they are received, that contributions received from the
11 two donors who made the highest cumulative contributions of fifty
12 thousand dollars (\$50,000) or more to the committee have been
13 used for expenditures unrelated to the candidate or ballot measure
14 featured in the communication, the committee shall disclose the
15 contributors making the next largest cumulative contributions of
16 fifty thousand dollars (\$50,000) or more.

17 (3) A statement or phrase that clearly identifies the economic
18 or other special interest of the major donors of fifty thousand
19 dollars (\$50,000) or more. If any of those ~~persons~~ *donors* is a
20 committee other than a candidate-controlled committee, the ~~person~~
21 *donor* shall be identified by the ~~names of the~~ economic or other
22 special interest who made the highest cumulative contributions of
23 fifty thousand dollars (\$50,000) or more to that ~~person~~ *committee*.
24 The statement or phrase shall list each economic or other special
25 interest in descending order based on the amount of the
26 contributions made by the respective donor to the committee. The
27 requirements of this paragraph do not apply to a general purpose
28 committee.

29 (4) The Uniform Resource Locator for an Internet Web site
30 ~~established by the committee. The Internet Web site shall list the~~
31 *that lists the* committee's principal officer and ~~all donors~~
32 *information about each donor* to the committee who ~~have~~ *has*
33 contributed a cumulative amount of one hundred dollars (\$100)
34 or more. *For a committee filing electronically with the Secretary*
35 *of State, the disclosure statement shall list "www.sos.ca.gov" as*
36 *the Uniform Resource Locator. For a committee that is not*
37 *required to file electronically with the Secretary of State, the*
38 *statement shall include a Uniform Resource Locator for an Internet*
39 *Web site address that lists the committee's principal officer and*
40 *the following information about each donor who has contributed*

1 *a cumulative amount of one hundred dollars (\$100) or more to*
2 *the committee making the independent expenditure: name of the*
3 *donor, payment type, city and state, contribution amount,*
4 *transaction date, and filing date. The Internet Web site shall be*
5 *updated to reflect filing updates. If the local agency with which*
6 *the committee files does not maintain an Internet Web site with*
7 *the donor information, the committee shall create one. The*
8 requirements of this paragraph do not apply to radio
9 advertisements.

10 (b) If an acronym is used to identify any committee names
11 required by this section, the names of any sponsoring organization
12 of the committee shall be printed on print advertisements or spoken
13 in broadcast advertisements.

14 SEC. 2. Section 84508 of the Government Code is amended
15 to read:

16 84508. If disclosure of two major donors is required by Sections
17 84503 and 84506, the committee shall be required to disclose, in
18 addition to the committee name, only its highest major contributor
19 in any advertisement that is any of the following:

20 (a) An electronic broadcast of 15 seconds or less.

21 (b) A radio broadcast of 30 seconds or less.

22 (c) A newspaper, magazine, or other public print media
23 advertisement that is 20 square inches or less.

24 SEC. 3. No reimbursement is required by this act pursuant to
25 Section 6 of Article XIII B of the California Constitution because
26 the only costs that may be incurred by a local agency or school
27 district will be incurred because this act creates a new crime or
28 infraction, eliminates a crime or infraction, or changes the penalty
29 for a crime or infraction, within the meaning of Section 17556 of
30 the Government Code, or changes the definition of a crime within
31 the meaning of Section 6 of Article XIII B of the California
32 Constitution.

33 SEC. 4. The Legislature finds and declares that this bill furthers
34 the purposes of the Political Reform Act of 1974 within the
35 meaning of subdivision (a) of Section 81012 of the Government
36 Code.